RB
RESTAURANT BUSINESS

SPECIAL REPORT

CAREER BURNOUT

MARCH 1, 199
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RB CONTENTS

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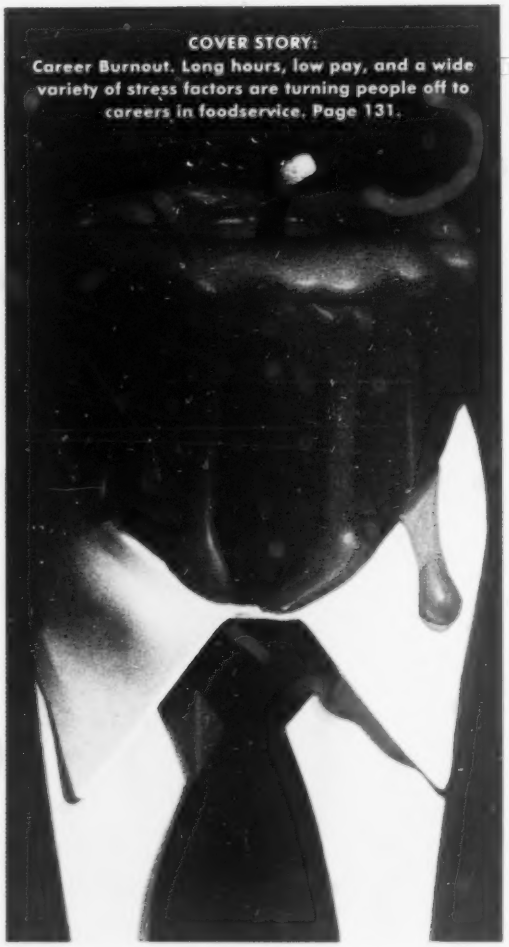


COVER STORY:
Career Burnout. Long hours, low pay, and a wide variety of stress factors are turning people off to careers in foodservice. Page 131.

COVER STORY

FOODSERVICE INDUSTRY CAREER BURNOUT Is a career in foodservice worth it? That depends on who you talk to. For many managers at the unit level, bone-crushing work schedules—70- and 80-hour weeks are still the norm in many restaurants and hotels—constant operational crises, and a wide variety of other stress factors top the laundry list of occupational complaints. And yet, there are plenty of people who appear to thrive on just this kind of fast-paced atmosphere. This special report includes proprietary information from a survey of 200 foodservice managers and owner/operators taken for *Restaurant Business* by the QUME Group. Also, included are case histories and some solutions offered by innovative companies. **131**

FEATURES

CHAIN SPAGHETTI WAREHOUSE Slow but steady growth is changing for this restaurant chain. Now, in 1991, the company is planning to open four new restaurants, and Spaghetti Warehouse will become a franchisor for the first time in its 19-year history. **92**

INDUSTRY ISSUE RESPONSIBLE HOSPITALITY To be successful in the 1990s, the foodservice industry must assume a leadership role, becoming involved with the community, in addressing public concerns. This will truly be the proactive decade. Owners and managers must free up more time to participate in community activities if they want to establish a meaningful presence in the policy-making process. Responsible Hospitality Councils are one way this can be achieved. **94**

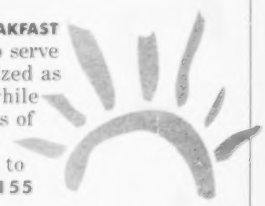
INDEPENDENT STAR GLEN SANDERS MANSION Angelo Mazzone has opened a restaurant and banquet hall in a 17th-century mansion where General George Washington once was entertained. **102**

INDEPENDENT STAR BLAZERS As a restaurateur, James Britt has proven himself to be quite adept. Though Blazers was in trouble when Britt took it over, he turned the restaurant around by adding professional service, diversifying the menu, and introducing new marketing programs encouraging repeat business. **112**

DESIGN CAFE PHOENIX Robert Vallozzi, a 36-year-old Fort Lauderdale-based filmmaker, is accustomed to running the show. Cafe Phoenix is his first restaurant venture, and he applied his film-making skills to the project of creating a casual cafe with dance club and private facilities in an art-deco environment. **118**

FRONT-OF-THE-HOUSE MERCHANDISING GLASSWARE Glassware is an important part of a restaurant's merchandising program. The shape, color, cut, capacity, and variety of glassware tells customers a great deal about the restaurant the moment they sit down. **124**

MARKET SEGMENT REPORT BREAKFAST The mood of restaurateurs who serve breakfast could be characterized as "cautious optimism." And, while business may pick up, the days of double-digit daypart growth are probably gone, according to veterans of the breakfast wars. **155**



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FOOD AND BEVERAGE

DRAFTS, CARAFES & SPIRITS **PREMIUM WELL PUSH** Operators who feature premium-brand wells are betting that their customers will perceive superior value in a drink made with a recognizable premium liquor. 201

MENU IDEAS **SEAFOOD** The consumption of fish and seafood continues to rise. But operators must remain flexible in the face of erratic supply and price swings reflecting the unpredictible turbulence of the seas. ...205

PRO'S PANTRY **SPRING PRICE UPDATE** 213

CHEF'S ART **PIERRE-JEROME** At Yve's, chef Pierre-Jerome serves a Napoleon of monkfish. 214

PIECE MEAL **FALAFEL** Made of ground, seasoned chick-peas formed into patties and deep-fried, falafel is a low-cost, high-protein item. 217

COLUMNS AND DEPARTMENTS

BUSINESS BAROMETER 6

EDITORIAL 8

RESTAURANT OPENINGS 16

INSIGHTS. Industry News 23

MENU PLANNER'S GUIDE 54

BAR MANAGEMENT GUIDE 70

CALENDAR 72

WORTH WRITING FOR 74

FINANCIAL ADVISOR 76

SANITATION 80

THE TAX BITE 88

EQUIPMENT I.Q. Cook Chill 189

BUYER'S CIRCLE. Noteworthy Equipment 192

CLASSIFIED ADVERTISEMENTS 222

LATE LINE. Last-minute Newsbreaks 223

ADVERTISER INDEX 226

SOUND OFF Career Burnout 228

READER COMMENT CARD 229

INDUSTRY REPORTS AVAILABLE

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IN THE NEXT ISSUE

COVER STORY **THE SERVICE SLIDE** In this era of fierce competition, restaurateurs must acknowledge the importance of good service and its marketability—for building reputation and repeat clientele. This article will be broken up into three parts. The first section will focus on full service; Part two will focus on the quick-service sector; and the third section will take a case study approach, featuring examples of successful operators.

MAJOR FEATURE **26th FRANCHISING REPORT** Once again, *RB* offers the most current information on franchising in America. Choosing a niche wisely has been the strategy the last couple of years; that continues in this era of cautious growth. As in past years, we will cover the top 11 major market segments as well as franchise relations.

MARKET SEGMENT REPORT **AMERICAN BISTRO** The next generation of casual dining has a distinctively American stamp. It's largely the province of independents, who are forging a new path in fun, quasi-sophisticated food and comfortable down-to-earth atmosphere.

TEST KITCHEN:
Seafood, p. 205.

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RB

SPECIAL REPORT

CAREER BURNOUT

Long hours, lack of advancement, bottom-line pressures, disruptions of family life—these are just some of the reasons so many foodservice workers question a long-range stint in our industry. In this article, *RB* takes a comprehensive look at the causes of and possible solutions to career burnout. Extensive research is highlighted, including the results of a Qume study of 200 foodservice managers, and interviews with foodservice executives who have innovative solutions to managing manager strain and interesting turnover reduction programs. Consultants, people who have left the industry, and current foodservice unit managers who are flourishing on the firing line offer their insights on how to balance stress and challenge. It all adds up to a high-wire act, and in the volatile '90s, the foodservice industry can't afford to slip.

By Joan M. Lang

ILLUSTRATION BY MARVIN MATTELSON

SPECIAL REPORT

BURNOUT AND MANAGEMENT TURNOVER ARE AMONG THE MOST SERIOUS PROBLEMS THE INDUSTRY FACES, BUT MANY COMPANIES ARE BEGINNING TO FIND SOME SOLUTIONS.

Richard Rivener had it made. At 29, Rivener (not his real name) had worked his way up the ranks to become general manager of a $3.5-million-a-year restaurant, one of several top-performing units of a national dinnerhouse chain. In the last three years, he had been promoted four times, first to an assistant manager in a large training unit, then to general manager in a smaller market, where he developed a reputation for being ambitious, hard-working, and well-liked. Now, he was running one of the busiest stores in the system and his career was really taking off—in more ways than one.

One hectic Saturday night, with more than 70 hours on the clock already and a dishwasher who failed to show up for his shift, Rivener snapped. He locked his keys in the safe, closed the office door behind him, and walked out, leaving behind an hour-and-a-half wait, a kitchen crew short one person, and a stack of guest bills that needed checking. When last heard from, Rivener was selling computers.

PROFOUND IMPACT. Chalk another one up to management burnout, that voracious beast that chews up smart, talented people and spits them out, totally disillusioned and sick of their jobs and careers. And while no one knows exactly how many people choose to leave foodservice operations for good every year, it's safe to say that the problems leading up to burnout have a profound impact on job satisfaction and industry turnover.

Is a career in foodservice worth it? That depends on who you talk to. For many managers at the unit level, bone-crushing work schedules—70- and 80-hour weeks are still the norm in many restaurants and hotels—constant operational crises, and a wide variety of other stress factors top the laundry list of occupational complaints. And yet, there are plenty of people who appear to thrive on just this kind of fast-paced atmosphere.

In a recent survey of 200 foodservice managers and owner/operators taken for *Restaurant Business* by the Qume Group of New York City, 73% of respondents reported that they were extremely or very satisfied with their jobs (see accompanying charts). This satisfaction was not without its challenges, however. In fact, a number of serious problems were reported by all respondents, whether they were satisfied with their jobs or not, including: long hours (76% of respondents); working holidays/weekends (59%) and nights (58%); underqualified workers (62%) and employee turnover (63%); disruption of family life (36%); and inability to express opinions (38%). Moreover, 37.5% of the total 200 surveyed characterized their jobs as either extremely or very stressful, and 52% felt that a career in the foodservice industry is more stressful than in other industries.

SOLID SATISFACTION. What is it, then, that leads to such solid levels of satisfaction? "I love meeting and pleasing the customers, and I also enjoy the creativity involved in working with food," enthuses one manager who puts in 70-hour weeks and has experienced just about all of the problems that a career in foodservice is heir to. But if her comments about what she likes about her job are typical, so are her complaints: "The hours are a problem and so are some of the irresponsible people I have working for me." And therein lies the rub. The industry suffers from extremely high turnover—estimated at an excess of 300% at the hourly level and as high as 50% or more at the unit management level, according to some sources. At a time when the industry desperately needs qualified, competent personnel, people are leaving their jobs in significant numbers. What's worse, some of them are leaving the industry altogether.

"Over the years, we have done exit interviews with hundreds of management people," says Benny Ball, senior vice president of personnel for Shoney's Inc., Nashville, "and were astonished at how many were not leaving because they had a

FOODSERVICE JOB PROFILE STUDY

The data presented here were developed in conjunction with The Qume Group Ltd, a research and consulting organization based in New York City, from a telephone survey of 200 foodservice operators nationwide. Respondents were selected from *Restaurant Business'* subscriber list based on the following classifications:

1. Type of establishment: Restaurant, lunchroom, diner, drive-in, or cafeteria.

2. Title: Company Officer (president, owner/operator, partner, etc.) or Foodservice Management (manager, director of foodservice, chef, food & beverage, etc.).

3. Type of ownership: Independent or Franchised Independent.

The typical (mean) respondent is 37 years old, married with one child, has some college education, earns $35,000 a year, and works in a restaurant or foodservice operation with annual sales of $966,000 and employing 33 people.

job with another chain, but because they wanted out of the foodservice industry. That sent up a real red flag for us." (See sidebar, page 144, for more information on how Shoney's addressed its turnover problem.)

According to one study, attrition is a major problem for everybody. Jointly conducted by David V. Pavesic, Ph.D., associate professor and director of the Cecil B. Day School of Hospitality and Administration at Georgia State University, and Robert A. Brymer, Psy.D., associate professor in the Department of Hospitality Administration at Florida State University, the study surveyed 442 graduates (years 1983-1987) from 11 four-year HRI programs to find out how many are still in the hospitality industry today.

ATTRITION. The results were discouragingly clear: Of the respondents who entered the industry upon graduation, 18.3% eventually left; if the parameters of the occupations considered are narrowed to define operations (rather than sales, consulting, and other related areas), the attrition rate skyrockets to 29.9%. (In addition, 9.5% of the surveyed graduates never even took a job in the industry in the first place.)

The reasons cited for leaving included dissatisfaction with hours, shifts, and schedules (28.9%); dissatisfaction with pay and/or benefits (24.1%); and personal reasons, such as negative impact on family and personal relationships (21.9%). A typical comment: "Long hours and low pay? Who needs it!"

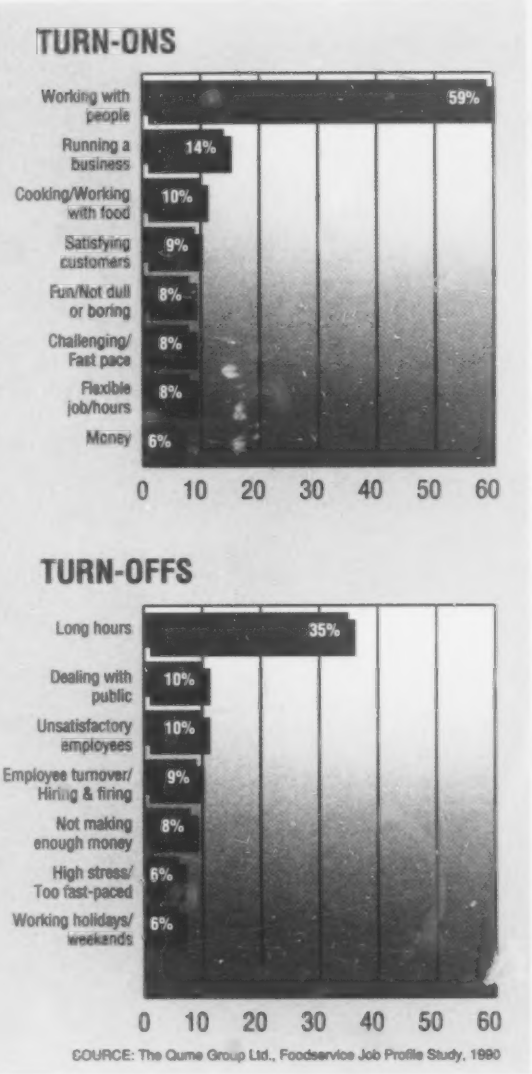
Pavesic points out that the third and fourth years of a young manager's tenure in the industry appear to be critical; he or she will tolerate difficulties and disappointments for the first two years, but after that, "you'd better start providing some challenges and recognition for your managers."

The problem of attrition does not stop there, however. "You'd be surprised at how many people with years of experience want to get out of this business," says Alan Massarsky, president of Marshall-Alan Associates, a New York City-based executive search firm specializing in the hospitality field. "And if they're not looking to get out of the industry, they're trying to get out of operations. There is no quality of life in running a restaurant, so these people want to go into sales, they want to go into corporate dining, they want to get into the research and development end. And they'll gladly take a cut in pay to do it."

"You just get burned out," says Patrick McDonnell, now a principal in the Fairfield, CT, consulting firm of McDonnell, Kinder & Associates Inc., who put in more than 10 years in the trenches at a variety of restaurants, including his own in Baltimore. "I was 30 years old and at the center of a very successful restaurant, but I was working 80 to 90 hours a week and had two kids at home that I never saw."

And so he sold out, ultimately trading his $70,000-a-year income for a $38,000 research and development position, a move he's never regretted—even though the project he entered was "defunded" just a few years later.

"I was in danger of doing myself permanent damage in that restaurant," says McDonnell, who turned his research and development contacts and expertise to the business of consulting. "Seasoned operations people get a hell of a lot of abuse. The pace is terrible, it's murder on your marriage and family life, there's no long-term security. I woke up one day and realized I didn't have to put myself through that anymore."



COURCE: The Qume Group Ltd., Foodservice Job Profile Study, 1990

THE PROBLEMS AND SOLUTIONS. Long hours, working nights and weekends, the physical demands of standing for hours on end, underqualified coworkers, problems of employee theft and substance abuse: All of these problems are reported to a significant degree—even by managers who say they are satisfied with their jobs.

But the true nature of the industry goes beyond such simple "grocery lists" of complaints, each of which could probably be addressed—at least in the ideal setting.

"The hospitality industry is a high-pressure, highly task-oriented business," says Joel *continued on page 136*

Goldberg, president of Career Consultants, a management consulting firm based in Union, NJ. "The manager has an ongoing series of problems to solve; he solves one day's set of problems but then the next day, he just gets another. And in most cases, he's not getting enough positive feedback, so the situation becomes very frustrating and very stressful."

The answer lies, at least in part, in training. "You've got to give managers the tools they need to solve problems and make decisions," says Loret Carbone, vice president of human resources for Chicago's Lettuce Entertain You Enterprises (LEYE) restaurant group. LEYE's training program is particularly comprehensive: 12 weeks, divided into three phases, covering every single management and operational function, as well as psychological preparation for the job.

Each phase involves both hands-on training and role-playing, and the candidates cannot move on to the next stage until they pass a three-hour verbal final with a "board" of three partners, who monitor and observe their reactions to different situations, as well as their ability to adapt. After that, the nascent manager gets on-site training under the mentoring eye of one of LEYE's operations partners.

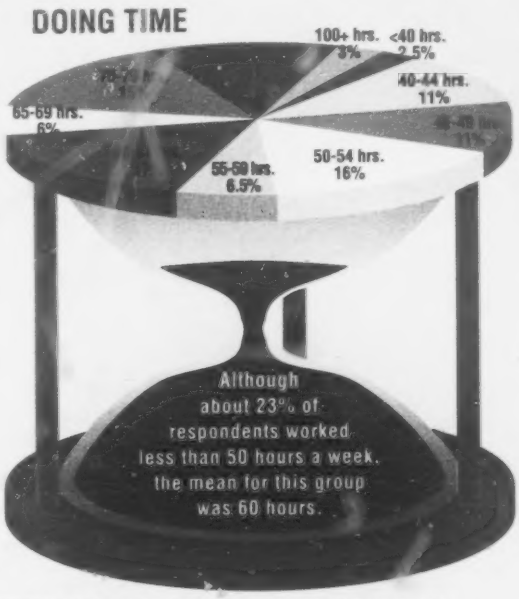
CERTIFICATION. Some operators would go even further. "I think managers should be certified," says Bill Main, a San Francisco-based consultant and co-owner of The Shore Bird, a seafood restaurant in Princeton-by-the-Sea, CA. "Most managers, even graduates of HRI programs, do not have professional, hands-on training to be managers, the way chefs have training to be chefs. Instead, they just evolve. And too often what happens is that they get burned out because they just don't have the skills and the training to prioritize their work and they can't accomplish what they need to, no matter how many hours they're working."

The certification process would establish certain standards by which all front-of-house managers could operate, says Main, and would also enable the industry to establish consistent pay scales. "Right now," he adds, "there's no common denominator as to level of skill, and the industry has no consensus about what managers are worth."

The Educational Foundation of the National Restaurant Association is working to develop standardized certification programs for companies, state associations, and trade groups. According to Ellen Decker, director of certification and instructional services for the foundation, these programs are looking at the total role of managers. "The foodservice manager wears many hats," she explains. "We recently did a study of tasks that make up the typical manager's job, and the foodservice manager has 96 to 98 different tasks to perform, compared with only about 40 to 45 associated with comparable management positions in other industries. Obviously, this is a very complex issue, but if we can help managers prepare themselves to cope with all of these different situations, then we can help improve things."

NO OUTSIDE LIFE. A veteran of a grueling training program with a large hotel chain—"I was 22 years old and had no life at all outside of the hotel"—she moved to a restaurant management position where the shortest of her six shifts a week was 11 hours. Physically and emotionally exhausted, she ultimately suffered a bad fall in the restaurant, breaking her ankle in eight places. "Some of these companies treat managers like cheap labor," she says now, having traded her operations skills in for the relative calm of a development job. "You fill in wherever you're needed, regardless of how many hours you're putting in."

Hours are indeed a pervasive problem with a career in foodservice. "Everybody I know in the business is exhausted," admits Sam Hayward, chef-owner of 22 Lincoln, an upscale restaurant in Brunswick, ME. "In the trenches, here in the kitchen, it's back-breaking work. I put in 70 hours a week right now, and I'm getting pretty tired."


DOING TIME
100+ hrs. 3%
<40 hrs. 2.5%
40-44 hrs. 11%
65-69 hrs. 6%
55-59 hrs. 6.5%
50-54 hrs. 16%
Although about 23% of respondents worked less than 50 hours a week, the mean for this group was 60 hours.

SOURCE: The Cume Group Ltd., Foodservice Job Profile Study, 1990

In a way, Hayward is a victim of his own ideals. He chose to attempt fine dining in small-town New England, where he can get locally grown ingredients, but where there is little of the indigenous dining population necessary to support his efforts. In November, 1989, recession hit Maine hard, and Hayward was forced to lay off his full-time administrative assistant and his sous chef, whose duties he has taken upon himself. For the next year, he drew no paycheck; now, things have stabilized to the point where he can pay himself about $5 an hour.

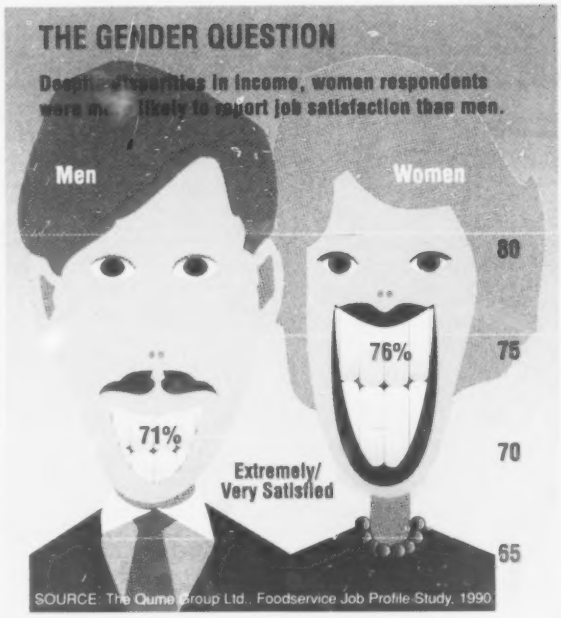
STICKING IT OUT. "Between running the restaurant and being primary care-giver to my children three days a week while my wife works, I have a lifestyle that would be unsustainable for any real length of time," he says. Still, he will stick it out, staying open "as a service to the community," as he puts

CHART BY PETER K. NICEBERG

it. But he would love to work a 40-hour work week for a change. "I wonder what it feels like to be well-rested?" he says with a sigh.

For some, the hours will prove too much. "It was beginning to look to me like having a family—even having a good marriage—didn't go with working in operations," says Kirk Waisner, who worked in a number of restaurants in California, London, and New York City before taking a job as the head of the $5-million-a-year in-house bakery at Stew Leonard's, a large independent food store in Norwalk, CT. "In order to be successful, you had to work 100 hours a week."

Waisner admits now that he was blind to this necessity when he first started out. A chemical engineer by training, he was carried away by the romance of cooking and running a kitchen. "If I'd done my research a little better," he says, "I would have seen what kind of work it takes." Now, he is in charge of product development and quality control at the largest in-store bakery in the country, supervising 80 employees and enjoying regular hours.



DESPITE PROBLEMS, MANY OPERATIONS PEOPLE REPORT THAT THEY ARE SATISFIED WITH THEIR CAREERS IN THE FOOD-SERVICE INDUSTRY.

Despite these issues, there are abundant signs that the foodservice industry is beginning to change its tune. "I've been seeing more and more companies move mountains to help their people feel that there's a long-term place for them, and to help them find satisfaction in their jobs," says Alice Elliot, president of Elliot Associates Inc., personnel consultants to the hospitality industry based in Tarrytown, NY. "The industry is definitely getting more proactive in its approach to preventing departure."

One of the crucial issues, according to Elliot, is quality of life. "People have to be able to keep a balance in their life in order to be happy and productive. Today's managers expect that."

Jim Peters, president of the I... ponsible Hospitality Institute, a training and advocacy organization in Santa Cruz, CA, believes that much of this is due to the relatively recent influx of women into the industry. "We've seen many changes having to do with the influence of women as they move into the work force," says Peters, noting that women often have different ways of solving problems and working cooperatively, and a need for flexibility and "wholeness" in their lives.

Whatever the reasons for this societal shift, many employers are responding. Hardee's now has a company-wide "ideal" of 45- to 50-hour, five-day work weeks, with a minimum of at least one full day off a week and one weekend off every month. Shoney's Inc. also has a five-day work week throughout its system. Pizzeria Uno offers its managers compensatory time off if they are asked to work more than five days. "Too many companies treat their managers like shift workers," says Gregory Keenan, vice president of operations, Atlantic region, for the chain. "The general manager has to pull a 'free shift' at the door when the hostess doesn't show up, he has to work a dishing shift when the place is short a dishwasher. You can't keep doing that to people."

PROGRESSIVE POLICIES. Rob Dougherty, a bar manager at the Hendersonville, NC, unit of McGuffey's, a Southeastern regional dinnerhouse chain known for its progressive human resources policies, works five, 10-hour shifts ("much less than any of my previous jobs") and he loves the flexibility—that and the fact that there are always enough managers on duty to cover the operation. "A lot of my friends are in the industry, and their employers work them to death. That's not the case here."

Operators who fail to recognize that their managers are getting fed up with the hours and stress face competition from a variety of other industry-related employers, including supermarkets (known for their reasonable schedules and work policies), the food companies, and service organizations such as consultants and search firms. In fact, several of Alice Elliot's associates are ex-operations people who wanted to use their extensive knowledge of the industry and their contacts to "stay involved" without staying on their feet for 70 or 80 hours a week. "I was attracted to this because it gave me a chance to work closely with people in operations but I would have a better quality of life for myself," says Catalina Ding, a senior account executive with Elliot Associates.

"You either get burned out in *continued on page 138*

CHART BY PETER K. NICEBERG

SPECIAL REPORT

operations or you can't make a go of it financially," concurs Billy Jacobs, who sold a struggling restaurant in the economically depressed state of Louisiana in the late '80s, eventually ending up as director of product development and executive chef for an aquaculture company in Isola, MS. "When you make your mind up to leave, doors open to you and you find a place where you can use your restaurant experience and skills in a more positive environment."

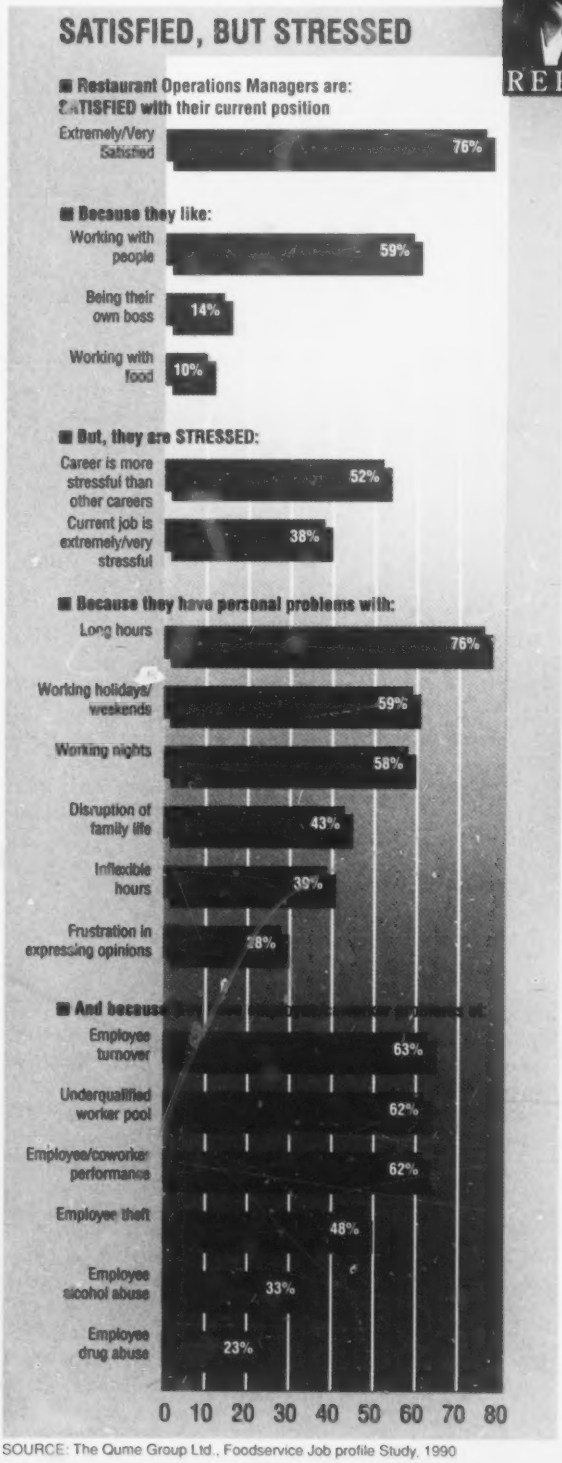
RATHER SWITCH THAN FIGHT. It is for this precise reason that so many operations people seek jobs in the contract sector. "We get many, many inquiries from people who are in restaurant operations and want to make the switch to contract foodservice because the hours are more civilized and the pace is more reasonable," says Joel Katz, director, human resources development for Philadelphia-based ARA Services, the world's largest foodservice management company. "At ARA, unit managers have autonomy and flexibility, as well as the support and resources of a large company, and they also have time to pursue their own lives." In addition, notes Katz, a management ownership program enables employees at the level of district manager and above to take an equity position in the company. "And when you have a piece of the rock," says Katz, "it's amazing how resilient you become. All those hours suddenly start getting you something. Let's face it: Working hard and not getting anything for it is a major stressor."

But if hours and schedules and stress are major deterrents to a career in foodservice, so is frustration at lack of control, feedback, and development. "I felt blocked when I was in operations, and I didn't see where else I could go," says Cheryl Wendel, who left a management position at a major chain hotel to become personnel director at the 132-room Wychmere Harbor Hotel in Harwichport, MA. "I'd transferred six times in two years with that company, and each time I got a promotion, but I felt that my real talents were being overlooked." Now, says Wendel, she gets the best of both worlds: a job in the industry and a chance to set policy and improve employee development and morale. "That direct involvement is very important to me."

At Hardee's, the concept of "empowerment" has been standardized throughout the 3,300-unit chain. "We started thinking about all the decisions that are made by managers every day and determined who else could be doing some of that," says Edna Morris, senior vice president of human resources for Hardee's Food Systems Inc., based in Rocky Mount, NC. "That frees managers up to do their jobs—manage—and it spreads decision-making down through the ranks, making all our employees feel like they are part of the process."

At Pizzeria Uno, a fast-growing chain now numbering more than 82 locations systemwide, the company goes out of its way to keep unit-level management interested in their jobs—and in a career at Uno. "The learning curve flattens significantly after just a year or two," says the company's vice president of operations, Atlantic region, Gregory Keenan, "and that's when the danger of turnover really *continued on page 140*

SATISFIED, BUT STRESSED



SOURCE: The Qume Group Ltd., Foodservice Job profile Study, 1990

starts. The first year, it's fun just to beat your predecessor's numbers; the second year, you can try to beat your own. By the third year, though, it's really just a pain in the ass."

The solution: Keep managers involved, with seminars, courses, promotions, and feedback. The company also sends its managers out to do franchise openings. "They work very hard for two weeks, but they come back rejuvenated, with a renewed commitment to the company's standards and specs," notes Keenan. These and other programs—including compensatory time off, nonequity partnership programs, competitive benefits and salaries, and an open-door policy of communications between the field and headquarters—has led to turnover of just 15% at the unit management level.

Indeed, companies like Pizzeria Uno have demonstrated that open lines of communication are virtually essential in the war against turnover and burnout. "It's so important for there to be open doors between the owners and upper management and the people out in the trenches," says LEYE's Carbone. "Management needs to vent, and one of the functions of the company's partners is to make themselves available to the managers." LEYE enjoys management turnover of just 14%; Carbone says that a key reason for this is the company's central attitude that "the partners are slaves to the managers, the managers are slaves to the employees, and the employees are slaves to the customers—it's from the bottom up."

One area that can stand some improvement in terms of reducing stress is the issue of performance pressures. "As the economy gets worse, the pressure *continued on page 142*

THE WARNING SIGNS OF STRESS

According to Robert A. Brymer, Psy.D. and associate professor in the Department of Hospitality Administration, Florida State University, there are four components of stress: job; social/environmental factors; personal; and lifestyle. And while foodservice managers do tend to be stressed by their jobs, the hours required of them affect the three other areas—their personal relationships are compromised, there may be a drinking problem, they may not be getting enough exercise, and so on.

The key to managing stress, notes Brymer, is recognizing it and working on it before it leads to burnout. And the signs of an impending stress situation can be dead giveaways:

- Headaches or other physical symptoms;
- Exhaustion or lack of energy;
- Any behavior outside of the norm, i.e. a cheerful person suddenly becomes cranky or tempermental;
- Inability to concentrate;
- Moodiness;
- Bad attitude or negativity; loss of exuberance;
- Disorganization or inability to make decisions;
- Stops working as hard—no longer pulling his or her weight;
- Absenteeism or increased number of sick days;
- Has more accidents, on or off the job;
- Becomes upset easily or at the smallest things; and
- Drinking or drug use.

Brymer adds that one person's stress may be another person's exhilaration; the key for managers is to know where each person's breaking point is, and to act on any problems before they escalate and compromise the person's job.

THE KEYS TO SOLVING STRESS

Savvy employers are using a variety of techniques to help managers cope with the demands of a career in foodservice. Here are some suggestions.

WORK SCHEDULES. Establish an ideal work week; progressive companies such as Hardee's, Stouffer Restaurant Co., and McGuffey's are moving the industry toward the five-day, 50-hour week. In addition, standardize schedules so that people know when they'll be off.

It's also important to try to give managers at least one weekend off a month, as Hardee's does; one problem with the hospitality industry is that people are working when everyone else is having fun. Be sure to compensate for additional time worked, with compensatory time (as Pizzeria Uno does), bonuses, or other perks.

TRAINING. Managers can be prepared to deal with the inevitable crises through comprehensive training programs, such as those employed by Lettuce Entertain You Enterprises (LEYE), which include operational and management material as well as role playing. Training and retention programs for hourlies increase productivity and reduce turnover, making units run more smoothly. Other programs should be made accessible to help managers deal with the available labor force, such as the English-as-a-second language and on-site citizenship preparation programs at Loews hotels.

MOTIVATION. Keep managers interested. For example, Pizzeria Uno sends its unit managers out to do franchise openings and counsels them on other ways to keep the learning curve steep, as a result reaping a turnover rate that, at 15%, is one of the lowest in the industry.

Set financial goals, but make them achievable, so that managers are not operating under impossible demands. Managers who have a piece of the action are apt to stay involved and to take the bumps more easily. Companies that give their managers equity include ARA, LEYE, and Pizzeria Uno.

SPECIAL HELP. Employee Assistance Programs (EAPs) are one of the most cost-effective ways around to help managers cope with out-of-the-ordinary stresses such as drinking or family problems. Hardee's, Shoney's Inc., and Taco Bell are among the companies that offer this important benefit.

Stress management training has also proved effective, whether as part of the initial training process or offered on a special-seminar basis. Encouraging exercise and offering a wellness program, as Godfather's does, is also worthwhile.

to cut costs and meet last year's projections is going to mount," says Pat Romero, a vice president at Elliot Associates and herself an alumna of restaurant operations. And that is just going to make things worse."

"It's like asking a carpenter to work without tools," says Bill Burnett, vice president of domestic franchising for Western Sizzlin' and a veteran of such hard-driving chains as Houston's and Bennigan's. "Because of those old profit expectations, too many managers find themselves in a position of not being able to make repairs, of not being able to replace equipment; they're saying, 'I'm committed to turning in a 28% profit increase this month, so I can't afford to get any more coffee cups.' "

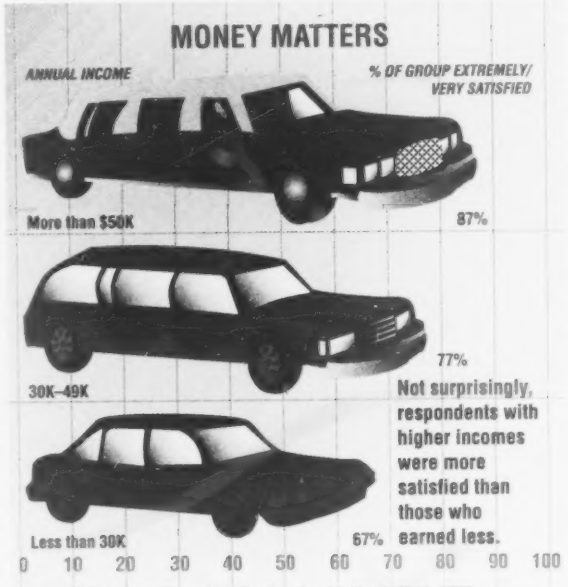
And, while he is quick to point out that his former employer Houston's did not make that mistake, he offers an interesting perspective on the company: "Houston's is without a doubt the Mercedes of the industry, but it is hard, hard work. Until you work at a place that does $20,000 in volume on a Saturday night on a $12 average check, you don't know what stress is." The opportunity comes, according to Burnett, in the chance to work in a highly respected company and gain experience with a high-quality product—and not coincidentally, one of the best salaries in the industry (reportedly, over $100,000 a year for a general manager). Houston's declined to be interviewed for this article.

STABILITY. As far as Western Sizzlin' goes, the work is a lot less vigorous, notes Burnett, but the company does offer a great deal of stability and flexibility. "Most of our franchisees realize that they don't necessarily have a big pot to offer to managers, but what they can offer is a much less stressful environment. A lot of people don't want to work 90 hours a week, no matter how good the money is."

Coworker problems can be another major stressor in the lives of managers, reported by up to 62% of respondents in the *Restaurant Business* survey. "A good training program for hourlies is just as important as management training," says Brian McGowan, director of training and recruitment for Stouffer Restaurant Co. "The hourly team can truly make or break a manager's job." Stouffer's solution includes a special supervisory program wherein talented hourlies are trained to gradually take over some of management's functions, including decision-making, scheduling, and closing up. "These people are really supporting the management staff, but it's also a useful stepping stone for developing new managers," notes McGowan (see sidebar, page 148, for more information).

Carol Schauer, general manager of the Highland Grill in Downers Grove, IL, Stouffer's newest property, corroborates: "When something goes wrong, it's wonderful to be able to work with people who are ready and able to jump in and help. A good team is what really helps alleviate the stress of a management position—that and a sense of humor."

MANY MANAGERS FEEL THAT THEY ARE NOT BEING COMPENSATED FOR THE HOURS THEY WORK OR THE STRESS THEY FEEL.


MONEY MATTERS
ANNUAL INCOME
% OF GROUP EXTREMELY/ VERY SATISFIED
More than $50K
87%
30K–49K
77%
Less than 30K
67%
Not surprisingly, respondents with higher incomes were more satisfied than those who earned less.
0 10 20 30 40 50 60 70 80 90 100

SOURCE: The Qume Group Ltd., Foodservice Job Profile Study, 1990

Schauer, who put in over 100 hours a week during the extended opening period for the restaurant last November, seems particularly well-adapted to the exigencies of running a restaurant, but she admits that even the more typical schedule of about 60 hours a week has a real impact on a manager's personal life. "You do have to give up a lot to be successful in this business."

In fact, fully 43% of the managers surveyed for this article reported problems with disruption of family life. Personal problems in general—relationship problems, family crises, emotional stress, substance abuse—are the big external bugaboos of industry life. "Frequently, foodservice workers have a more tenuous relationship with their families than people in other industries, and that makes their problems a little more difficult to deal with," says Deborah Sheperis, vice president of sales for Personal Performance Consultants Inc., St. Louis, which contracts with employers to set up EAPs—Employee Assistance Programs. "These people are working so hard that they don't have time to strengthen their family relationships and get sustenance from them, and that can be very damaging. In addition, many of these people are working schedules that are the

continued on page 144

CHART BY PETER K. NICEBERG

exact opposite of the rest of the world's—including their families' and friends'—and that just adds to the pressure."

And, while restaurant and hotel managers seem no more likely to be divorced or separated—or to remain single—than their counterparts in the general population, many people who were interviewed for this article mentioned relationship and family problems as being part of the reason that they sought careers out of operations.

SUBSTANCE ABUSE. What is more clear is the problem of substance abuse. Although only 3.5% of respondents in the *RB* study reported problems personally experienced with alcohol abuse and 2% admitted problems with drug use, these managers had significant complaints about their coworkers when it came to drink and drugs; 32.5% reported problems with alcohol abuse among coworkers and employees, and 22.5% mentioned drug abuse. Moreover, a recent study by the Seattle-based Battelle Memorial Institute revealed that food preparation and service workers were more than twice as likely to be heavy drinkers (averaging five or more drinks a day) than the general population. As one observer commented: "There are a lot of drinking and drugs in this industry."

Many companies are beginning to respond to the problem.

Two years ago, Rocky Mount, NC-based Boddie-Noell Enterprises Inc., a major Hardee's franchise with more than 10,000 employees, launched a proprietary program called C.A.R.E. (Counseling, Assistance, and Referral for Employees) to help deal with these issues. "We realized that we were having more and more *continued on page 146*

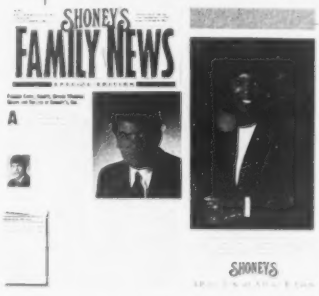
CASE STUDY:
SHONEY'S INC.

The restaurant business is inherently very stressful," admits Benny Ball, senior vice president of personnel for Shoney's Inc. "It's the nature of the business to have to work on your feet and encounter unexpected problems and unplanned crises. But that doesn't mean you can't find ways to help managers cope with those stresses."

And that is exactly what Shoney's Inc. is doing, through a variety of programs ranging from five-day standard workweeks to stress-management programs and an Employee Assistance Program (EAP) network. The company found through the exit interview process that many of its departing managers were leaving to take jobs outside of the industry, instead of from a competitor, a discovery that sent up a red flag for the human resources department.

In addition, says Ball, an ongoing dialogue with present managers on their likes and dislikes of the job and industry revealed that a majority of them were experiencing stress because of their own supervisors. "We realized that it came down to the fact that different people have different needs when it comes to being managed," notes Ball.

CUSTOMIZED MANAGEMENT. As a result, the company now practices "customized management"—each person is analyzed as to his specific needs and managed accordingly, a system that is aided by coaching and situational leadership training.



The company's employee-assistance and benefits-related programs are explained in a series of newsletters.

In addition, Shoney's Inc. has implemented a five-day work week throughout its restaurant systems. (Shoney's family restaurants, with more than 700 units; Captain D's seafood, with just over 600 units; and Lee's Famous Recipe Chicken, with about 300 locations.) Managers also have the same schedule for three to four months at a time, allowing them to have greater control over their private time, and are eligible to take a week's vacation after six months, rather than 12 to 18 months as before.

An EAP network was formed three years ago (Shoney's Inc. was one of the earlier companies to take advantage of growing EAP technology), and is tied to the health-care plan. According to Ball, three free sessions are provided for by the company in the event of personal crisis, and 85% can be resolved without an additional referral (such as to a drug treatment program or psychologist).

The cost is less than $20 year per "employee unit" (family) and has proved invaluable in saving manager's jobs, says Ball. "This has had a direct, positive impact on our health-care costs and turnover, because we're catching problems before they become bigger ones." This and other benefits-related programs are promoted regularly in the company's SHARE (Shoney's Health Assistance for Restaurant Employees) newsletter.

Benny Ball, senior vice president of personnel, Shoney's Inc.

QUALITY OF LIFE. Other programs include free annual physicals for employees at the level of division director and above (cost: $140 per year, per person), including a "Quality of Life" study that helps managers find and correct weak points in their diet, exercise, lifestyle, or working habits.

A credit union linked to an 800-number provides financial planning services along with loans, the company sponsors stress-management seminars, and employees can get discounts with spas.

SPECIAL REPORT

CASE STUDY:
GODFATHER'S

In the restaurant business, there's not too much time to rest on your laurels," says Spencer Wiggins, vice president, human resources and management information systems for Godfather's Pizza.

Godfather's wellness program focuses on weight-loss and other preventative health measures.

"Just when you think you're on top of the world, a competitor comes along with something new and you're back to the drawing board. And that's what causes burnout."

According to Wiggins, however, the industry's reaction to burnout is changing. "In the past, people looked at stress and burnout as a weakness."

WELLNESS PROGRAM. Based on its success with a formalized wellness program available to employees at the company's Omaha headquarters, Godfather's hopes to roll the concept into the field by the beginning of its 1991 fiscal year, this June. The program is in response to findings at exit interviews that many people were leaving the industry altogether. "These people were saying, 'I like the company, I like the people, but I'm just drained by the stress'," notes Wiggins. "This problem is especially severe because so many of these managers are young and have no fear, and before they know it, they're burned out."

The wellness program at the headquarters level has reduced absenteeism and turnover measurably, and while its exact form for the field is still undergoing analysis, Wiggins expects it to have a similar effect.

He also notes that the corporate culture at Godfather's, which is relatively relaxed and humanistic by industry standards, seems to go a little easier on managers. Says Wiggins, who worked at Burger King before Pillsbury took the company over and who came to Godfather's along with its president, Herman Cain, in 1986, "With the bigger restaurants, it's a great recruiting tool to be able to tell some 26-year-old unit manager that he's going to be in charge of a million-and-a-half dollar business. Many young managers are just not prepared for the kind of strain they're going to be under."

problems related to drug or alcohol abuse," says Nelson Barbee, field marketing manager for Boddie-Noell, "and that we would have to find a way to address this."

Although Barbee does not believe that foodservice employees are any more likely than other groups of workers to have substance-abuse problems, he does acknowledge that it is a very serious problem—so much so that the company has also instituted random testing for senior management and an "asset protection" program that trains managers to detect potential signs of substance abuse among staff members.

"These have been good programs for us, helping us build a 'cleaner,' more stable work environment," says Barbee, who adds that the clue to any assistance program is strict confidentiality. "This is an 800-number, linked to a network of local and community drug and alcohol treatment organizations, which can be used by any employee or his family. Nothing about the employee's situation can be revealed to the company."

Employee Assistance-type programs are now being used to address a variety of industry problems. "We've found an EAP program, included in the benefits package, to be a very valuable tool for us," says Marcia Owen, manager, training programs for Irvine, CA-based Taco Bell. In addition, the company just finished a year-long program to train all of its field people in stress management, and now incorporates the program into all new-management training. The EAP and the stress training have helped the company ease a rather difficult transition into a more decentralized organization.

EAPs, consisting of a network of professionals to whom employees are referred for a vari- *continued on page 148*

SOURCE: The Qume Group Ltd., Foodservice Job Profile Study, 1990

CHART BY PETER K. NICEBERG

CASE STUDY:
STOUFFER RESTAURANT CO.

You can see it in their eyes when a manager is burned out," says Brian McGowan, director of training and recruitment for Stouffer Restaurant Co. "And you can also tell because they're making the wrong decisions. They're mishandling their staff, and they're mishandling guests."

At Stouffer, scheduling is Job One when it comes to helping managers manage their stress. A five-day work week is standard ("They've just got to have those two days off," notes McGowan). In addition, the company goes to great pains to see that there is adequate shift coverage. It has developed a supervisory program wherein promising hourlies are put in charge of certain decisions and responsibilities, such as closing down for the night. As a result, the program also serves as a stepping stone to management.

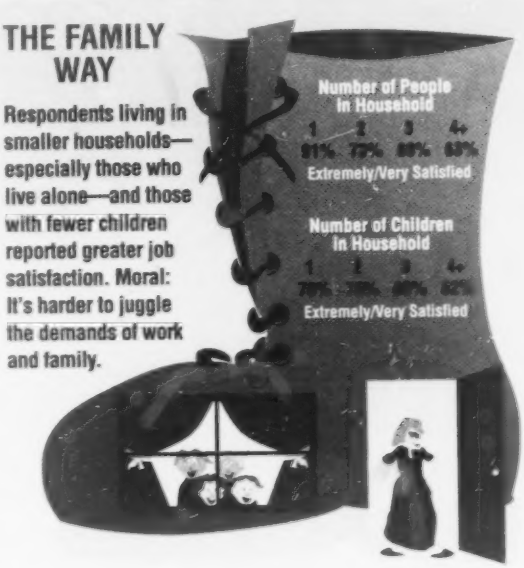
COLLEAGUESHIPS. There is a formal mentoring program that is promoted at the unit level, encouraging general managers to bring assistants in on projects, and everyone is urged to form colleagueships. Additionally, a continuity program reduces the problem of constant relocation: Assistant managers and other so-called department heads, including culinary department heads (chefs) stay at that level and location for at least six months; general managers stay put for two years. "It hurts an individual's progress to be transferred more often, and it also damages restaurant morale. There has to be a stable environment in order for people to grow and excel in this industry."

Finally, sophisticated training for hourlies is considered a right of everybody on the team. "Managers have to have the tools, and that includes the staff itself," insists McGowan.

Stouffer Restaurant Co.'s flagship Parker's Lighthouse in West Palm Beach, FL.

ety of problems, including marital and family problems, personal stress, and substance abuse, are undoubtedly the wave of the future for businesses of all kinds. And indeed, a number of foodservice companies now offer EAPs to management and, in some cases, hourlies, including Shoney's Inc., Hardee's, and Lettuce Entertain You Enterprises. According to Ray Stein-kerchner, president of The Omni Group in Nashville, which has developed EAPs for Shoney's Inc. and a number of other corporate clients, the relatively low cost and high payback of an EAP program—about $18 to $24 per year per employee family, with a return-on-investment as great as 12-to-1 in terms of decreased absenteeism and turnover—makes it an extraordinarily effective system for dealing with a number of problems. However, the foodservice industry has been almost embarrassingly slow to move into the EAP arena.

"Foodservice ranks right up there with health care as being one of the most stressful industries to work in," says Steinkerchner, "but it's been one of the last industries to come to the party. I think that's because the industry has traditionally focused on operations—not human resources. Margins are so lean, and the day-to-day pace of business is so grueling, that there has been a certain acceptance of high turnover within the hospitality business. And that leads employers to be very short-sighted about the options that are out there."


THE FAMILY WAY
Respondents living in smaller households—especially those who live alone—and those with fewer children reported greater job satisfaction. Moral: It's harder to juggle the demands of work and family.
Number of People in Household
1 2 3 4+
91% 72% 69% 63%
Extremely/Very Satisfied
Number of Children in Household
1 2 3 4+
79% 70% 66% 62%
Extremely/Very Satisfied

And yet, the signs of change are becoming increasingly apparent. "Yes, the hospitality industry has had a reputation as being a 'turn 'em and burn 'em' place to work, and that reputation has not been undeserved," says Jonathan Tisch, president and CEO of Loews Hotels, based in New York City, a company which enjoys unusually low turnover (less than 50% for all employees, hourly and salaried) thanks to its decentralized structure and open-door management philosophy. "But I think the industry is realizing that it has to get back to the basics. This is a people business, and companies have to remember to respect the people who work for them just as much as they respect the customers that eat in their restaurants. Competition for employees is not going to go away." **RB**

BREAKFAST

be trading down from hotel breakfasts." Krantz acknowledges that breakfast business faces an uncertain future. "We seem to take two steps back for every three steps forward," he admits.

BETTER BREAKFAST EXPERIENCE. Other breakfast operators think they're gaining from consumers who want a better experience at breakfast. Says Bob Evans Farms' Williams: "This is my subjective opinion, but I think that there are a number of consumers for whom fast food is falling out of favor. They want a better experience at breakfast, and are more likely to come to a place like Bob Evans." Williams reports, however, that Bob Evans' overall breakfast traffic is flat, although it has had gains on weekends. Many other breakfast operators report similar weekend gains, often offsetting declines during the week.

While many are cautiously optimistic about the breakfast market segment, they voice fears about the effect the war may have on the U.S. economy and, in particular, on the price of gasoline. Restaurant operators are nervous that another uptick in gasoline prices could keep consumers at home, forcing them to curtail food-away-from-home purchases. A sense of uncertainty pervades the industry right now, as it does much of American business. "I'm not making any annual predictions right now," says Herman Goldberg, president and CEO of Elmer's Pancake and Steak House, a Portland, OR-based operator of 28 restaurants. "The war could have a big effect, and anything could happen. I'm worrying one day at a time."

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Hardee's is again using the California Raisins as a promotional tool.

Other concerns are pressing breakfast restaurants. Chief among them: the bad reputation [illegible] breakfast [illegible] for being [illegible]

Hardee's is rolling out a line of baked-on-premise muffins. Varieties such as blueberry and raisin oat bran are aimed at health-conscious customers.

ed with foods that are high in fat and cholesterol. Many operators are planning to add—or have recently added—egg substitutes or egg white-only dishes. More chain breakfast operators, as well as market-niche independents, are certainly beginning to offer such options to consumers. Even fast-food chains are jumping on the health kick bandwagon, with Hardee's—which depends on breakfast sales for 30% of its overall business—now about to roll out a line of baked-on-premise breakfast muffins, including raisin oat bran and blueberry. Their introduction will be accompanied by the reappearance of the California Raisins as a promotional tool.

But the entire "health" question at breakfast is troublesome. "Everyone talks about wanting a healthy breakfast, but they still want a heavy-duty breakfast because it tastes good," says Michael Farrell, vice president of Chicago's Egg Harbor Cafe, a three-unit, breakfast-only chain with 1990 revenues of $2.5 million. Other operators agree that what consumers say they want in a healthy breakfast and what they ultimately ask for when it comes time to order breakfast are often very different things. "Our focus groups show us that the consumer attitude seems to be: 'Healthy food is a great idea for somebody else, but not for me'," says Tom McNulty, senior vice president of marketing for Denver-based Village Inn, a subsidiary of VICORP. "We're adding menu items in response to perceived health-related consumer concerns, but they clearly aren't the kind of things that will drive customer counts by 20%," he continues. "But they will give us a chance to go after more people." Most other operators also report they are trying to offer new products to appeal to a more health-conscious breakfast consumer.

Another major area of concern for breakfast operators—as it is for much of the restaurant industry right now—is pricing. The value-menu strategy pioneered by Irvine, CA-based Taco Bell has spread to many

continued on page 158

BREAKFAST

Driven by gains in fast food, breakfast seems to be bouncing back.

other chains, and breakfast pricing has become a concern for many operators. "We realize that our franchisees have to do a better job in pricing for value," says Jon Ostrov, vice president of marketing for Minneapolis-based Country Hospitality Corp., a division of Carlson Hospitality Group Inc. that owns Country Kitchen. "Value is the key word right now, and we're helping our franchisees to focus more on the idea."

Many fast-food chains are waiting for the other shoe to drop as they prepare to deal with 2,000-unit Taco Bell's introduction of breakfast. Promised by president and CEO John E. Martin to be fast, portable, and value-priced, Taco Bell's breakfast may quickly become a major threat to many fast-food chains that compete strongly in the morning.

Says one fast-food marketing exec: "With the economy, the war, and everyting else that's going on right now, the last thing I'm looking forward to is Taco Bell's rollout of breakfast. It could really hurt us." Already, partially in anticipation of the approaching Taco Bell morning offerings, McDonald's franchised restaurants in Southern California are offering a "breakfast burrito" for 69¢.

Hardee's has already instituted a "family value" menu, offering a limited number of breakfast products at reduced prices. Says John Merritt, Hardee's senior vice president of public relations: "Certainly, the threat of Taco Bell's breakfast is a concern. We're trying to respond to the value-menu approach without giving the whole store away."

Martin of Taco Bell was circumspect in a recent interview in describing that chain's plans for breakfast, but he was willing to say that he felt it was critical to maintain Taco Bell's strong identity in a breakfast program. "That means we will want to quickly provide quality products at a value price point. We're sure that a 10-item menu is too many and a three-item menu is too few, so we'll probably end up somewhere in between there. The speed of service is critical, so keeping the menu trimmed is very important," he says.

Observers from other chains expect Taco Bell to roll out a five- or six-item breakfast menu with offerings in the 59¢-to-89¢ range. It is expected that it will appear in the summer, when test marketing is completed. Martin would not say when the addition is planned or what it would look like specifically.

The overriding concern for breakfast operators is clearly the increased competition for the consumer's morning dollar. "When we opened our first restaurant in 1984, breakfast was the fastest-growing segment in the industry," recalls Scott Diamond, one of the owners of Dozens, a two-unit, Denver-based chain of breakfast-only restaurants. "Now, it seems that every restaurant is open for breakfast. It is a much tougher market than ever before."

Other operators agree that the morning share-of-stomach battle has heated up. And now, faced with a recession and the uncertainties of war, breakfast operators are turning to proven strategies to build business in a more competitive marketplace. Among them: price reductions, menu additions, marketing ploys, and service improvements to enhance the consumer's price/value perception. Says one operations executive: "The last time the restaurant industry faced this kind of economic environment, there wasn't the competition for breakfast business that we see now. I don't know how all these

continued on page 160

Bob Evans Farms wants to build its weekday breakfast traffic.

BREAKFAST

Country Kitchen's Skillet Breakfasts offer value and variety.

restaurants will hang on to their customers if times get really tough. I think you'll see some stop serving breakfast altogether, at least on weekdays."

In response to these fears, and to changing consumer needs, breakfast restaurants are offering a range of new products. While the new-product front is not as active as it has been in years past, there is a great deal of activity.

This year, egg substitutes and reformulated egg products have created quite a stir. Operators are trying to provide breakfast offerings that have reduced levels of fat and cholesterol but still maintain taste levels.

"That's quite a challenge," admits Ostrov of Country Kitchen.

Country Kitchen, with 245 franchised restaurants, has done extensive testing of egg substitutes and reformulated egg products. "We've looked at a number of products and settled on the one that we think offers the most realistic egg taste in addition to answering the health concerns," says Mark Thomas, director of product standards and development for the chain. The egg substitute will be added to the menu as part of a breakfast platter with fresh fruit and a muffin or in a garden vegetable omelet. Each will sell for approximately $4.25. Country Kitchen also tested a variety of new pancake products in the last year, but only one—blueberry—will make it as a permanent menu offering.

Other chains and independents are working on egg substitute products. Village Inn is now testing egg substitute products in two markets, the Quad Cities and Tucson.

"We're putting the egg substitute into a variety of omelets," reports marketing vice president McNulty. Village Inn has also worked closely with a major national breakfast foods manufacturer to develop a pancake that, according to McNulty, is "98% choles-

continued on page 165

BREAKFAST

terol-free. We're testing that now as well and we expect it to roll out systemwide later this year." Breakfast is critical for Village Inn, with 60% of its overall business coming from breakfast products. McNulty says that the chain is experiencing a slight increase in breakfast traffic at its restaurants, which report $1.2 million average annual sales. "We're not getting beat up as badly because we have strong customer loyalty," he says.

Sytje's Pannekoeken Huis Family Restaurants, a 12-unit Minneapolis-based chain, has also begun offering a new egg substitute product on its menu. "We added it because our customers were asking for it, and we're seeing a very good response to it," says Todd Novaczyk, president of the $13 million company.

Instead of going to whole-egg alternatives, some chains and independents are offering egg white-only dishes to consumers in response to health concerns. "We offer any of our dishes made with egg whites only for $1 more," reports Tom Runkle, a partner in the three-unit West Egg Cafe in Chicago. Although business is off significantly for his chain, Runkle says menu items that are perceived as healthy are growing in leaps and bounds. "We've added a new oatmeal product at $2.95, a bran muffin, and we've introduced cholesterol-free cheeses for omelets and other products. They are all popular."

Traffic has increased from year-earlier periods.

Coco's inaugurated a new menu last summer that features a number of new breakfast products. Among them: multi-grain pancakes ($3.75); fresh vegetable omelet ($5.95); a yogurt, fruit and muffin combo plate ($3.95); and a pecan waffle combo ($5.45). In addition, Coco's began to identify the manufacturer of certain products, including some cereals, yogurt, and its egg substitute product, on the menu to attract consumers.

"Some of our new menu items were successful, and some weren't," was all Coco's president Barry Krantz would say about the new menu. "We do expect to add more new breakfast products to see how they fly," he adds.

Eight hundred-unit Shoney's recently responded to consumer surveys it conducted by revamping its breakfast bar. While still offering the traditional eggs, bacon, ham, and pancakes, the breakfast bar now includes cereals, low-fat milk, more fresh fruit, muffins, and "light" maple syrup for pancakes.

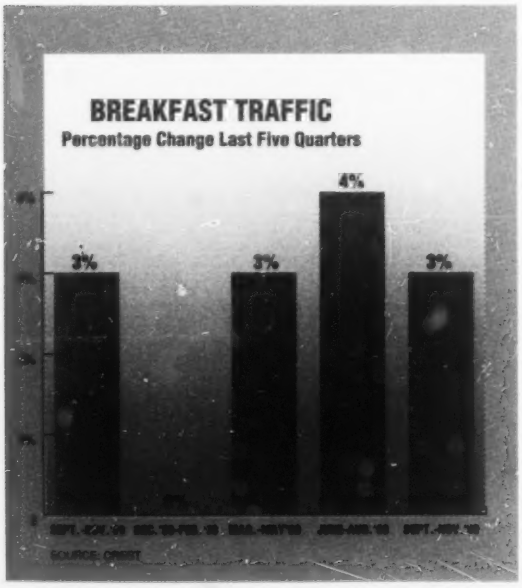
At International House of Pancakes (IHOP), the incredibly successful introduction of the "harvest grain and nut" pancake line—now responsible for 20% of the chain's pancake sales—will be followed by the chainwide introduction of harvest grain and nut waffles. "We've just completed the test of these products, and we're getting ready to move them chainwide," says Pettise of IHOP. But the new waffles have presented operational challenges.

Elmer's Pancake and Steak House of Portland, OR, a $37 million chain operating in six Western states, added two new products recently: pecan pancakes for $5.25 and corned beef hash for $4.50. Denny's is presently considering new breakfast offerings throughout its 1,300 unit chain, but marketing vice president Susan Henderson won't say exactly what is in the works. "We're not exclusively focusing on consumer health concerns, but that is something we'll continue to look at." Henderson points out that Denny's has offered an egg substitute "for years" on its menu

Says Mo Iqbal, vice president of marketing for Jack In The Box of San Diego: "Consumers can choose to have our pancakes without bacon and served that way it is a low-fat meal. This whole health question is very complex, particularly for the breakfast diner. We're seeing a very gradual shift in consumer attitudes concerning health, but we question whether the shift is large enough to make money on it. When we test new products, taste is frankly our first concern, and health is of secondary importance."

Jack In The Box, with 1,040 units in 11 Western states, has had considerable success with its scrambled egg pita sandwich, which generally sells for $1.69 and was introduced a year ago.

continued on page 168



MARKET SEGMENT REPORT

BREAKFAST

IHOP has found that its popular new waffles are presenting operational problems.

Iqbal says that portability will remain of primary importance in new- product development for Jack In The Box, where breakfast products reportedly account for 15% of overall sales.

Golden Corral, a 460-unit steak chain located in Raleigh, NC, is set to expand a one-unit test of weekend breakfast to several more units. Golden Corral's morning entry features an all-you-can-eat breakfast bar for $4.19. The breakfast bar offers standard morning fare, including eggs, pancakes, bacon, sausage, ham and cinnamon rolls. "There are some markets we operate in where this idea will really work," says Golden Corral president and CEO Ted Fowler. "The test was received well and now we're ready to do it in a few more units. We'll continue to study and observe its performance." There are no plans at this time for a systemwide rollout of the breakfast bar.

According to chain and independent restaurant operators who serve breakfast, their major concern right now is pricing. As Merritt of Hardee's acknowledges, "Consumers are definitely saying that they are very concerned about the price they pay for food. We're trying to respond to that."

Of course, breakfast has not been immune to value pricing, and the entire question of value and price is permeating the whole industry, not just the fast-food giants.

"Clearly, value is the big issue," says Ostrov of Country Kitchen. "Traditionally, we've taken a hands-off approach to pricing with our franchisees, but right now we're concerned that some of our franchisees may not be doing the best job they could on pricing. We're running seminars on pricing for profit, and we plan to offer workshops on pricing at our annual franchisee convention. Our goal is to help the franchisees in the balance of pricing, and this might involve some reductions throughout our operations." Ostrov says, though, that wholesale price reductions shouldn't be expected. "We're looking at other ways of increasing value—by enhancing garnishes, increasing portions, those sorts of things. Value isn't necessarily just lower prices."

That thought is echoed by many operators who want to avoid cutting prices if they can. "We're not ready to start jumping on our spear unless we absolutely have to," says McNulty of

continued on page 170

BREAKFAST

Village Inn, which has an average check of $4.60. Village Inn is currently seeing small traffic increases, so McNulty doesn't anticipate price reductions anytime soon.

The battle for breakfast dollars is being fought at lower price points.

Bakers Square, a 175-unit chain which is also owned by VICORP is likewise trying to avoid price cuts. "We're aware that we need to build additional value, but you can be sure we won't do it with across-the-board price reductions," says marketing executive vice president Thomas D. Wirt. "That's a short-term fix." Like other operators who are less than anxious to cut their prices—and profit margins—Wirt points out that the perception of value is made up of more than just price. "It's a combination of many factors: ambience, food quality, and service. You can't just focus on price alone. It's a balancing act." Sidney Feltenstein, senior vice president/marketing of Randolph, MA-based Dunkin' Donuts, agrees: "We're experimenting with some pricing strategies, but it isn't just price we're focused on when we talk about value. Right now, we're looking at some combinations that will offer the appearance of lower menu prices."

Other restaurateurs are firmly opposed to getting into the "value" game. Says Jack In The Box's Iqbal: "We're not lowering prices." Adds Goldberg of Elmer's: "You can't give the food away and make money. We're not going to get into it."

Other, smaller breakfast restaurants don't seem to worry too much about the pricing question. "We increased prices about six months ago, and we'll do it again if we have to," says William C. Smith Jr., vice president of the seven-unit Omelette Parlor chain, a division of Santa Monica, CA-based Great American Fare Inc. "Our place is different. We've got a regular clientele who really loves our restaurant. We don't raise prices unless we have to, and we offer a quality product to regular customers." Chainwide, Omelette Parlor's traffic is currently running 3% ahead of year-ago totals. The restaurants, which seat an average of 130 people, are open from 6 a.m. to 2 p.m., and post average annual sales of $700,000.

Farrell of Chicago's Egg Harbor Cafe chain agrees. "There are plenty of breakfast places around that will give you the world for $1.49," he says. "But not us. We provide an upscale environment with music, great ambience, and quality food. Naturally, you pay a little bit more for that, so our universe is more limited. But our customers keep coming back." Farrell reports that traffic is up from year-ago totals at all three locations. The chain expects 1991 sales of $2.5 million.

In a worrisome economic environment where pricing is a major concern, marketing takes on more importance. Television and radio have been used extensively by the major national chains to promote their new value menus. Smaller chains and independents need to be more creative in their marketing strategies. At the Omelette Parlor, frequent guests are given a punch card. After five visits, they are offered a 15% discount on their next meal. And the chain has inaugurated a "Breakfast Happy Hour," during which breakfast patrons arriving between 6 a.m. and 7 a.m. can buy half-price omelets. To build weekday business, Omelette Parlor offers weekend customers a $1-off coupon for a return trip the following week.

Building weekday business is difficult, but it is what we would most like to do," says Williams of Bob Evans Farms. "We have lines out the door on weekends but that isn't the case on weekdays. The problem is that there is not really an effective way to reach the weekday breakfast consumer. Using TV for breakfast is tough—there is a high waste factor." Bob Evans Farms has tried— so far successfully—to avoid discounting as a traffic-builder.

Denny's major breakfast marketing tool has continued to be its 10-minute guarantee. "If you order certain menu items and you don't get them within 10 minutes, your meal is free," says Henderson of Denny's.

continued on page 176

Country Kitchen presents a country image in its breakfast menu.

SUCCESSFUL FRENCH FRIES ARE A MATTER OF DEGREES.

We go to a lot of trouble to assure that Idaho French fries are the world's finest. With no trouble at all, you can preserve that quality all the way to your patrons' plates:

- To keep fries crisp and golden, not limp or greasy, fry at exactly the right temperature—between 350° and 375° F. Experiment to see what temperature works best for your oil and fryer.
- Keep frozen fries completely frozen before frying—if possible, keep a small freezer near your fryer.
- Cook in small batches. An overloaded basket makes fries soggy and greasy, from excess oil absorption (which costs you more, too).
- Handle the cases of fries carefully—a fall of just three feet will break more than one-third of the fries!
- Never leave fries in the basket after cooking, and never salt over the basket.

To find out more about how to serve the world's greatest French fries, ask the experts:

Idaho Potato Commission
1-800-824-4605
P.O. Box 1068
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176

MARKET SEGMENT REPORT

BREAKFAST

The morning meal has to be served fast.

"We're focusing on service at breakfast," reports Henderson. "Our marketing is targeted to people who want a freshly prepared full-service breakfast in a short amount of time. We will periodically reinforce the 10-minute breakfast guarantee with advertising.

Hardee's is about to begin what Merritt refers to as "not a mega-campaign, but a sizeable one," featuring the reappearance of the California Raisins, which have proven incredibly successful twice before for Hardee's.

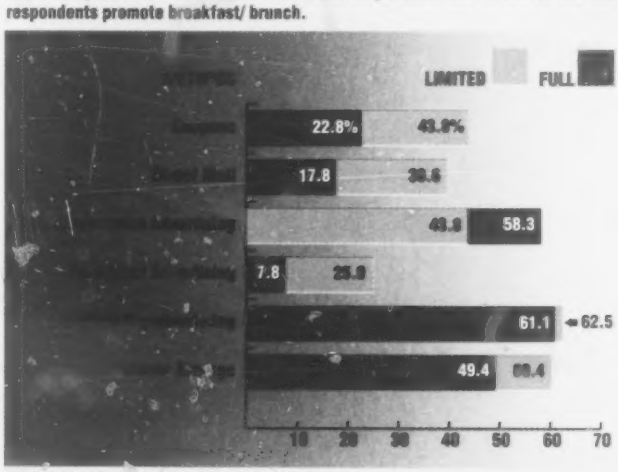
Elmer's CEO Herman Goldberg claims that "People don't want all you can eat for $6, and they don't want 10-minute guarantees. That's very bad for you to eat that way. Every company has an image, and 10-minute food is not the answer for us." Instead, Elmer's put $180,000 of its marketing budget into making an anti-drug video called "Dead End," which explains to parents how to tell if an adolescent is using drugs. The video garnered national and local media attention, and, according to Goldberg, "It is driving customer counts, which are up 15% from a year ago. We needed a totally different approach to marketing, and we decided to build our image based on community service. Obviously, it is working."

The upscale end of the breakfast business is quite different than the family or quick-service segment. Operators like Denver's Scott Diamond, one of the partners in the breakfast-only chain Dozens, report a very different experience than many chain concepts. "We have a niche that's very good to us. We keep the quality and freshness factors way up there, we don't cut corners. We have a sophisticated consumer who is health-conscious and active, and we offer food that appeals to that person."

continued on page 178

PROMOTION OF BREAKFAST/ BRUNCH

Breakfast promotion: 64.9% of limited-menu respondents and 66.9% of full-menu respondents promote breakfast/ brunch.



SOURCE: RB RESEARCH BREAKFAST/ BRUNCH MENUMONITOR

BREAKFAST

The Village Inn chain is testing low-cholesterol products on its breakfast menu.

Check averages are $5, and Diamond thinks he could raise prices if need be. His major concern at breakfast is service. "It is the hardest time of the day to please people," he says.

Sytje's is also a niche player, which gives the small regional chain far more flexibility. "We offer a proprietary product," president Novaczyk says. "That is a tremendous advantage. But we're being inundated by competition."

Farrell of Egg Harbor Cafes agrees: "It is getting more competitive, but this end of the breakfast market is the place to be. People are willing to pay for the quality we offer."

At the very high end of the breakfast market, Four Seasons hotels has been quite innovative. Many properties now offer a Japanese breakfast. According to Daniel R. Mann, director of food and beverage for the Philadelphia property, the restaurants serve about 10 Japanese breakfasts a day. It includes grilled salmon, broth, a coddled egg, pickled vegetables, steamed rice, and miso soup. "It is an offering we need to provide at breakfast, regardless of the number we sell each day," says Mann. Other Four Seasons hotels have increased their breakfast offerings and added more health-conscious items.

Tom Kaplan, who, along with partner Rich Brenner opened the successful Caffe Latte in Beverly Hills, CA, a year ago added a second property in West Hollywood called Highland Grounds. "I think our coffees are largely responsible for our success," says Kaplan. The restaurant roasts its own beans and takes it coffee very seriously. But coffee isn't the only draw: an eclectic and unique menu interests the hip, health-conscious customer of Caffe Latte.

Caffe Latte, seating only 45 to 50, racked up sales of $1 million last year. Now, Kaplan is adding even more health-conscious items. Among them: eggplant Benedict ($6.75), multigrain pancakes ($6.25), and vegetable scrambles with fresh vegetables, potatoes, and tofu, served for $7.50.

The success of Caffe Latte inspired the opening of Highland Grounds a few miles away. Primarily an evening destination, this coffee house has 75 seats and offers a continental breakfast. Currently, Kaplan is considering the addition of a small kitchen so that the breakfast menu can be expanded. "We have a beautiful little patio out back that would make the perfect Southern California brunch spot," he says. "So we're thinking about expanding the cooking area."

Clearly, breakfast is in a time of transition. There are numerous potential problems facing this daypart, not the least of which is the possibility that the number of customers has topped out, which will make this market segment a brutal battleground for market share.

continued on page 184

MARKET SEGMENT REPORT

BREAKFAST

RR RECIPE FILE

It's no secret that product differentiation will be key in protecting and gaining market share in this crowded segment. What's hot in menu items right now? Try healthy, hand-held, and ethnic. Mini pop-in-the-mouth yogurt bran bites score in the healthy and hand-held categories, while taco frittatas and "eggritos" entertain with ethnic appeal. Here are some recipe ideas that should help:

YOGURT BRAN BITES

2 cups plain yogurt
12 oz. brown sugar
8 oz. (8 whites) egg whites
1/4 cup + 2 tbsp. vegetable oil
1 tbsp. + 1 tsp. vanilla
2 cups bran flakes with raisins
8 oz. whole wheat flour
8 oz. all-purpose. flour
2 tbps. + 2 tsp. baking powder
1 tbsp. cinnamon
1/2 tsp. salt
10 oz. Granny Smith apples, peeled, cored, chopped
1 cup raisins

1 Mix yogurt, sugar, egg whites, vegetable oil, and vanilla on low speed for 2 min. Set aside.

2 Combine dry ingredients and add apples and raisins. Mix just until blended.

3 Add yogurt mixture to oat bran mixture; mix on low speed just until dry ingredients are moistened.

4 Portion batter with a #30 scoop into greased mini-muffin pans.

5 Bake at 400° F. for 20-25 min. in a conventional oven. Cool on rack and remove from pan.

Variation: Portion 2 #16 scoops in greased mini-bundt pans.
Bake at 400° F. for 25-30 min. in a conventional oven.
(Yield: 24 servings, 48 mini-muffins)

COTTAGE CHEESE PANCAKES

6 eggs
1 cup low-fat cottage cheese
1/2 cup all-purpose flour
2 tbsp. cooking oil
3/4 tsp. baking powder
1/2 tsp. salt
1/2 tsp. vanilla

1 Place all ingredients in blender container or large mixing bowl. Cover and blend on high speed 1 min. or beat with electric mixer or rotary beater until well blended.

2 For each pancake, pour 1/4 cup batter onto hot, lightly greased skillet or griddle (400° F.). Cook on both sides until golden brown. Fill and fold or top as desired.
(Yield: 12 4-in. diameter pancakes)

EGGS FLEMISH STYLE

4 frozen patty shells
4 oz. sliced fresh mushrooms
1/2 cup sliced celery
2 oz. frozen tiny cooked shrimp
1 tbsp. butter
4 hard-cooked eggs, chopped
1 oz. shredded Swiss cheese
2 tsp. lemon juice
1/2 tsp. dill weed
1/3 cup milk
2 tsp. Dijon-style mustard

1 Prepare frozen patty shells according to package directions. Set aside.

2 Sauté mushrooms, celery and shrimp in butter until celery is crisp-tender, about 3 min.

3 Stir in eggs, cheese, lemon juice, and dill weed. Combine milk and mustard and pour over mixture. Continue to cook, tossing gently with a spoon, until heated through and cheese is melted, about 3 to 4 min.

4 Spoon 1/2 cup of the mixture into each reserved patty shell.
(Yield: 2 servings)

BAKED EGGS IN PEPPER POTS

4 large green peppers
8 eggs
salt and pepper to taste
1/4 cup catsup or bottled taco or chili sauce
1 oz. shredded cheddar or Monterey Jack cheese

1 Cut tops off peppers and remove seeds. Parboil*, if desired. Stand peppers upright in muffin-pan cups or custard cups.

2 Break and slip 2 eggs into each pepper. Top each with 1 tbsp. of the catsup and 1 tbsp. of the cheese.

3 Bake in preheated 350° F. oven until whites are set and yolks are soft and creamy, about 30 min.

*Parboiled peppers will be less crisp than raw peppers after baking. To parboil, drop seeded peppers into boiling water for 30 seconds. Drain well and cool before using.
Yield: 4 servings

continued on page 186

BREAKFAST

SCOTCH EGGS

1 lb. bulk pork or turkey sausage
1/2 cup fine dry bread crumbs or corn meal
8 plain or pickled hard-cooked eggs
1 egg, beaten

1 Divide sausage into 8 2-oz. portions. On lightly crumb-sprinkled surface, pat out each portion to about 1/8-in. thickness. Wrap each completely around a hard-cooked egg, pressing edges together to seal.

2 Roll sausage-coated eggs in remaining crumbs, and dip in beaten egg.

3 Deep-fry at 375° F. until sausage is crisp and browned, about 4 to 5 min. Drain and serve. Or, place on baking sheet and bake in preheated 375° F. oven until lightly browned, about 20 min.
(Yield: 8 snack or 4 main-dish servings)

TACO FRITTATA

1 tbsp. butter
4 eggs
2 tbsp. chopped green chiles
2 tbsp. water
1/2 tsp. Worcestershire sauce
1/4 tsp. hot pepper sauce
1/4 tsp. ground cumin
1/3 cup chunky taco sauce

1 Melt butter in a 6- to 8-in. omelet pan or skillet with ovenproof handle. Beat together remaining ingredients except taco sauce until blended. Pour into pan.

2 Cover and cook over low to medium heat until eggs are almost set, about 6 to 8 min. Pour taco sauce over top. Remove from heat. Cover and let stand 5 min.
(Yield: 2 servings)

BRUNCHTIME APPLE BRANCAKES

6 eggs
1 cup milk
3 tbsp. cooking oil
1 cup shredded wheat bran cereal
1 cup whole wheat flour
2 tsp. baking powder
1/2 tsp. ground cinnamon
1/4 tsp. salt
2 cups finely chopped cored cooking apples (about 2 medium)
1/4 cup chopped pecans
Dairy sour cream, optional
Pecan halves, optional

1 Beat together eggs, milk and oil. Stir in cereal and let stand until moistened, about 2 min.

2 Stir together flour, baking powder, cinnamon and salt. Add to egg mixture and stir just until dry ingredients are moistened. Gently fold in apples and chopped pecans.

3 For each pancake, pour 1/4 cup batter onto hot, lightly greased skillet or griddle (400° F). Cook on both sides until golden brown. Serve immediately, garnished with sour cream and pecan halves.
(Yield: 16 4-in. pancakes)

CHEF'S TORTE

3 10-in. x 15-in. puff pastry sheets
Eggwash, as needed
12 large eggs, beaten
30 oz. frozen chopped spinach, thawed, drained, and pressed
1/2 tsp. dried thyme or oregano
1/2 tsp. garlic salt
12, 1-oz. slices Swiss cheese
12, 1-oz. slices cooked ham
8 oz. sauteed sliced mushrooms

1 Prepare crust with pastry sheets: Using bottom of 10-in. springform pan, cut out 2 circles. With third sheet, cut long strips to line the side of the pan with a 1-in. overhang.

2 Lightly oil the inside of the springform pan. Place one circle in the bottom. Brush edges of side pieces with eggwash and line sides of pan, overlapping if necessary.

3 Using 10-in. omelet or sauté pan, prepare 4, 3-egg omelets, keeping them in full 10-in. circles.

4 Combine spinach, thyme, and garlic salt.

5 Lay one omelet in bottom of the torte pan. Top with 4 slices of cheese, then 4 slices of ham. Spread with 1/3 spinach mixture, then top with 1/3 mushrooms. Repeat the layers twice; finishing with the last omelet.

6 Brush edge of second pastry circle with eggwash. Place on top of last omelet and crimp edges together with side pastry pieces to seal. Bake in preheated 350° F. conventional oven 35-40 min. or until golden brown. Let cool slightly and remove springform. Cut into 8 portions.
(Yield: 8 servings)

EGGRITOS

32 eggs
4 cup cut corn, cooked
2 cup milk
2 cup bell pepper, chopped
1/4 cup instant minced onion
1/4 cup prepared mustard
1 1/2 tsp. garlic powder
1 tsp. hot pepper sauce
1 tsp. salt, if desired
24, 8-in. flour tortillas, warmed

1 Blend together first nine ingredients.
2 Scramble egg mixture in a lightly-oiled sauté pan over low heat until thoroughly cooked.
3 Portion 1/2 cup egg mixture into each tortilla; roll up.
(Yield: 24 servings.)